



House of Representatives

General Assembly

File No. 16

February Session, 2014

Substitute House Bill No. 5071

House of Representatives, March 18, 2014

The Committee on Labor and Public Employees reported through REP. TERCYAK of the 26th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CIVIL ACTIONS AGAINST AN EMPLOYER FOR FAILURE TO PAY WAGES OR COMPENSATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-72 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 When any employer fails to pay an employee wages in accordance
4 with the provisions of sections 31-71a to 31-71i, inclusive, or fails to
5 compensate an employee in accordance with section 31-76k or where
6 an employee or a labor organization representing an employee
7 institutes an action to enforce an arbitration award which requires an
8 employer to make an employee whole or to make payments to an
9 employee welfare fund, such employee or labor organization [may]
10 shall recover, in a civil action, (1) twice the full amount of such wages,
11 with costs and such reasonable attorney's fees as may be allowed by
12 the court, [and any] or (2) if the employer establishes that the employer
13 had a good faith belief that the underpayment of wages was in

14 compliance with law, the full amount of such wages or compensation,
15 with costs and such reasonable attorney's fees as may be allowed by
16 the court. Any agreement between [him] an employee and his or her
17 employer for payment of wages other than as specified in said sections
18 shall be no defense to such action. The Labor Commissioner may
19 collect the full amount of any such unpaid wages, payments due to an
20 employee welfare fund or such arbitration award, as well as interest
21 calculated in accordance with the provisions of section 31-265 from the
22 date the wages or payment should have been received, had payment
23 been made in a timely manner. In addition, the Labor Commissioner
24 may bring any legal action necessary to recover twice the full amount
25 of unpaid wages, payments due to an employee welfare fund or
26 arbitration award, and the employer shall be required to pay the costs
27 and such reasonable attorney's fees as may be allowed by the court.
28 The commissioner shall distribute any wages, arbitration awards or
29 payments due to an employee welfare fund collected pursuant to this
30 section to the appropriate person.

31 Sec. 2. Section 31-68 of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective October 1, 2014*):

33 (a) If any employee is paid by his or her employer less than the
34 minimum fair wage or overtime wage to which he or she is entitled
35 under sections 31-58, 31-59 and 31-60 or by virtue of a minimum fair
36 wage order he [may] or she shall recover, in a civil action, (1) twice the
37 full amount of such minimum wage or overtime wage less any amount
38 actually paid to him or her by the employer, with costs and such
39 reasonable attorney's fees as may be allowed by the court, [and any] or
40 (2) if the employer establishes that the employer had a good faith belief
41 that the underpayment of such wages was in compliance with the law,
42 the full amount of such minimum wage or overtime wage less any
43 amount actually paid to him or her by the employer, with costs and
44 such reasonable attorney's fees as may be allowed by the court. Any
45 agreement between [him] an employee and his or her employer to
46 work for less than such minimum fair wage or overtime wage shall be
47 no defense to such action. The commissioner may collect the full

48 amount of unpaid minimum fair wages or unpaid overtime wages to
 49 which an employee is entitled under said sections or order, as well as
 50 interest calculated in accordance with the provisions of section 31-265
 51 from the date the wages should have been received, had they been
 52 paid in a timely manner. In addition, the commissioner may bring any
 53 legal action necessary to recover twice the full amount of the unpaid
 54 minimum fair wages or unpaid overtime wages to which the employee
 55 is entitled under said sections or under an order, and the employer
 56 shall be required to pay the costs and such reasonable attorney's fees as
 57 may be allowed by the court. The commissioner shall distribute any
 58 wages or interest collected pursuant to this section to the employee or
 59 in accordance with the provisions of subsection (b) of this section.

60 (b) All wages collected by the commissioner for an employee whose
 61 whereabouts are unknown to the commissioner shall be held by the
 62 commissioner for three months and thereafter the commissioner may,
 63 in his discretion, pay the same, on application, to the husband or wife
 64 or, if none, to the next of kin of such employee. As a condition of such
 65 payment, the commissioner or his authorized representative shall
 66 require proof of the relationship of the claimant and the execution of a
 67 bond of indemnity and a receipt for such payment. Notwithstanding
 68 the provisions of section 3-60b, any such wages held by the
 69 commissioner for two years without being claimed shall escheat to the
 70 state, subject to the provisions of sections 3-66a to 3-71a, inclusive.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	31-72
Sec. 2	October 1, 2014	31-68

Section 1	October 1, 2014	31-72
Sec. 2	October 1, 2014	31-68

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which requires, rather than allows, a court to award double damages for certain wage violations, does not result in any fiscal impact to the state or municipalities. Specifically, the bill is not anticipated to result in an impact to the Judicial Department as it changes the requirement for rulings involving private employers.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5071*****AN ACT CONCERNING CIVIL ACTIONS AGAINST AN EMPLOYER
FOR FAILURE TO PAY WAGES OR COMPENSATION.*****SUMMARY:**

With one exception, this bill requires, rather than allows, a court to award double damages plus court costs and attorney's fees if it finds that an employer failed to (1) pay an employee's wages, benefits, or arbitration award or (2) meet the law's requirements for an employee's minimum wage or overtime rates. The double-damage requirement does not apply to employers who establish a good-faith belief that their underpayments were legal. Such employers must, however, pay full damages, plus court costs and attorney's fees. Existing law also allows the labor commissioner to collect unpaid wages and payments or bring a civil suit on the employee's behalf.

EFFECTIVE DATE: October 1, 2014

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/04/2014)